

Union Calendar No. 637

90TH CONGRESS
2D SESSION

H. R. 17682

[Report No. 1586]

IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 1968

Mr. DANIELS (for himself, Mr. HENDERSON, Mr. HANLEY, Mr. POOL, Mr. BROY-
HILL of North Carolina, Mr. JOHNSON of Pennsylvania, and Mr. THOMP-
SON of Georgia) introduced the following bill; which was referred to the
Committee on Post Office and Civil Service

JUNE 26, 1968

Reported with amendments, committed to the Committee of the Whole House
on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend subchapter III of chapter 83 of title 5, United States
Code, relating to civil service retirement, and for other
purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—CIVIL SERVICE RETIREMENT**

4 **FINANCING**

5 SEC. 101. Section 8331 of title 5, United States Code,
6 is amended—

7 (1) by striking out “and” at the end of paragraph
8 (15);

9 (2) by striking out the period at the end of para-

1 graph (16) and inserting a semicolon in lieu thereof;
2 and

3 (3) by adding immediately below paragraph (16)
4 the following new paragraphs:

5 “(17) ‘normal cost’ means the entry-age normal
6 cost computed by the Civil Service Commission in ac-
7 cordance with generally accepted actuarial practice and
8 expressed as a level percentage of aggregate basic pay-
9 pay;

10 “(18) ‘Fund balance’ means the sum of—

11 “(A) the investments of the Fund calculated at
12 par value; and

13 “(B) the cash balance of the Fund on the
14 books of the ~~Treasury~~ *Treasury*;

15 “(19) ‘unfunded liability’ means the estimated ex-
16 cess of the present value of all benefits payable from
17 the Fund to employees and Members, and former em-
18 ployees and Members, subject to this subchapter, and to
19 their survivors, over the sum of—

20 “(A) the present value of deductions to be
21 withheld from the future basic pay of employees
22 and Members currently subject to this subchapter
23 and of future agency contributions to be made in
24 their behalf; plus

25 “(B) the present value of Government pay-

1 ments to the Fund under section 8348 (f) of this
2 title; plus

3 “(C) the Fund balance as of the date the un-
4 funded liability is determined.”.

5 SEC. 102. Section 8334 of title 5, United States Code,
6 is amended—

7 (1) by amending subsection (a) to read as follows:

8 “(a) (1) For pay periods beginning after December 31,
9 1968, the employing agency shall deduct and withhold 7 per-
10 cent of the basic pay of an employee and 8 percent of
11 the basic pay of a Member. An equal amount shall be con-
12 tributed from the appropriation or fund used to pay the em-
13 ployee or, in the case of an elected official, from an appro-
14 priation or fund available for payment of other salaries of the
15 same office or establishment. When an employee in the legis-
16 lative branch is paid by the Clerk of the House of Repre-
17 sentatives, the Clerk may pay from the contingent fund of
18 the House the contribution that otherwise would be con-
19 tributed from the appropriation or fund used to pay the
20 employee.

21 “(2) The Civil Service Commission shall determine
22 when an adjustment in the percentage of deductions pre-
23 scribed by paragraph (1) of this subsection is necessary to
24 meet fully the normal cost of the benefits then in effect,
25 and shall transmit notice of proposed adjustment to the Vice

1 President of the Senate and the Speaker of the House of
2 Representatives. Any proposed adjustment shall become ef-
3 fective at the beginning of the first full pay period which
4 commences at least ~~60~~ 90 calendar days (of continuous ses-
5 sion of Congress, computed in accordance with section 906
6 (b) of this title) after transmittal of the notice, unless be-
7 fore that date—

8 “(A) either House of the Congress has passed
9 legislation which provides for a different adjustment; or

10 “(B) either House of the Congress has passed a
11 resolution which specifically disapproves the adjustment
12 proposed by the Commission.

13 The same percentage adjustment, fixed at the nearest mul-
14 tiple of $\frac{1}{4}$ of 1 percent, shall be applied to each percentage
15 prescribed by paragraph (1) of this subsection. Not more
16 than one adjustment shall be proposed in any calendar
17 year.

18 “(3) The amounts so deducted and withheld, together
19 with the amounts so contributed, shall be deposited in the
20 Treasury of the United States to the credit of the Fund under
21 such procedures as the Comptroller General of the United
22 States may prescribe. Deposits made by an employee or
23 Member also shall be credited to the Fund.”; and

24 (2) by amending subsection (c) to read as follows:

25 “(c) Each employee or Member credited with civilian

1 service after July 31, 1920, for which retirement deductions
 2 or deposits have not been made, may deposit with interest
 3 an amount equal to the following percentages of his basic
 4 pay received for that service, plus each increase in the de-
 5 duction percentage prescribed under subsection (a) (2) of
 6 this section for periods of service to which the increase ap-
 7 plies;

	"Percentage of basic pay	Service period
Employee---	2½-----	August 1, 1920, to June 30, 1926.
	3½-----	July 1, 1926, to June 30, 1942.
	5-----	July 1, 1942, to June 30, 1948.
	6-----	July 1, 1948, to October 31, 1956.
	6½-----	November 1, 1956, to December 31, 1968.
	7-----	After December 31, 1968.
Member for Member service---	2½-----	August 1, 1920, to June 30, 1926.
	3½-----	July 1, 1926, to June 30, 1942.
	5-----	July 1, 1942, to August 1, 1946.
	6-----	August 2, 1946, to October 31, 1956.
	7½-----	November 1, 1956, to December 31, 1968.
	8-----	After December 31, 1968."

8 SEC. 103. Section 8348 of title 5, United States Code,
 9 is amended—

10 (1) by amending subsection (a) to read as follows:

11 " (a) There is a Civil Service Retirement and Disability
 12 Fund. The Fund—

13 " (1) is appropriated for the payment of—

14 " (A) benefits as provided by this subchapter;

15 and

16 " (B) administrative expenses incurred by the

1 Civil Service Commission in placing in effect each
2 annuity adjustment granted under section 8340 of
3 this title; and

4 “(2) is made available, subject to such annual limi-
5 tation as the Congress may prescribe, for any expenses
6 incurred by the Commission in connection with *the* ad-
7 ministration of this chapter and other retirement and
8 annuity statutes.”;

9 (2) by striking out subsections (f) and (g) and
10 inserting in lieu thereof:

11 “(f) Any statute which authorizes—

12 “(1) new or liberalized benefits payable from the
13 Fund, other than any increase in those annuities which
14 begin on or before the effective date of the increase;

15 “(2) extension of coverage to new groups of em-
16 ployees; or

17 “(3) increases in pay on which benefits are com-
18 puted;

19 shall be held and considered to authorize appropriations to
20 the Fund to finance the unfunded liability created by that
21 statute, in equal annual installments over the 30-year period
22 beginning at the end of the fiscal year in which the statute is
23 enacted, with interest computed at the rate used in the then
24 most recent valuation of the Civil Service Retirement Sys-

1 tem and with the first payment thereof due as of the end of
2 the fiscal year in which the statute is enacted.

3 “(g) At the end of each fiscal year beginning with
4 1971, the Commission shall notify the Secretary of the Treas-
5 ury of the amount equivalent to interest on the unfunded
6 liability computed for that year at the interest rate used in
7 the then most recent valuation of the System. Before closing
8 the accounts for each year, the Secretary shall credit to
9 the Fund, as a Government contribution, out of any money
10 in the Treasury not otherwise appropriated, the following
11 percentages of the amounts equivalent to interest on the un-
12 funded liability: 10 percent for 1971; 20 percent for
13 1972; 30 percent for 1973; 40 percent for 1974; 50 per-
14 cent for 1975; 60 percent for 1976; 70 percent for 1977;
15 80 percent for 1978; 90 percent for 1979; and 100 percent
16 for 1980 and for each year thereafter. The Commission shall
17 report to the President and to the Congress the sums credited
18 to the Fund under this subsection.

19 “(h) Each annuity increase authorized by statute en-
20 acted after December 31, 1968, and each increase there-
21 after effectuated under section 8340 of this title, shall be paid
22 from the Fund. Any such increase shall not be payable for
23 any fiscal year which begins more than one year after the
24 effective date of that increase unless and until an appropria-

1 tion is made by the Congress to compensate the Fund for the
2 cost, as determined by the Commission, of the increase for
3 that fiscal year. For any fiscal year for which the appropria-
4 tion is not made, benefits under this subchapter shall be
5 determined and paid as though the increase had not been
6 allowed. Nothing contained in this subsection shall prevent
7 payment of any increase for any fiscal year for which the
8 Congress makes the appropriation.

9 “ (i) At the end of each fiscal year beginning with 1970,
10 the Secretary of Defense shall pay into the Fund an amount,
11 as determined by the Commission, sufficient to cover those
12 annuity disbursements made during that fiscal year which are
13 attributable to military service.

14 “ (j) For each employee who has unused sick leave to
15 his credit and who retires on an immediate annuity or dies
16 leaving a survivor or survivors entitled to annuity, the em-
17 ploying agency shall, under procedures prescribed by the
18 Commission, pay into the Fund an amount equal to 25 per-
19 cent of the employee's final hourly pay rate multiplied by
20 the number of hours of unused sick leave to his ~~credit~~ *credit*.”

21 SEC. 104. The proviso under the heading “CIVIL
22 SERVICE COMMISSION” and under the subheading
23 “PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABIL-
24 ITY FUND” in title I of the Independent Offices Appropria-

1 tion Act, 1962 (75 Stat. 345; Public Law 87-141), is re-
2 pealed.

3 TITLE II—CIVIL SERVICE RETIREMENT
4 BENEFITS

5 SEC. 201. Paragraph (3) of section 8331 of title 5,
6 United States Code, is amended—

7 (1) by striking out subparagraphs (B) and (C)
8 and inserting in lieu thereof the following:

9 “(B) remuneration for service performed as
10 an employee to whom this subchapter applies;”;

11 (2) by striking out “overtime pay,”; and

12 (3) by striking out “pay given in addition to the
13 base pay of the position as fixed by law or regulation
14 except as provided by subparagraphs (B) and (C)
15 of this paragraph,”.

16 SEC. 202. Paragraph (4) (A) of section 8331 of title
17 5, United States Code, is amended by striking out “5
18 consecutive years” and inserting in lieu thereof “3 con-
19 secutive years”.

20 SEC. 203. Subsection (g) of section 8334 of title 5,
21 United States Code, is amended—

22 (1) by striking out the word “or” at the end of
23 paragraph (3);

24 (2) by striking out the period at the end of

1 paragraph (4) and inserting in lieu thereof a semicolon
2 and the word "or"; and

3 (3) by adding the following new paragraph im-
4 mediately below paragraph (4):

5 "(5) days of unused sick leave credited under sec-
6 tion 8339 (1) of this title."

7 SEC. 204. Section 8339 of title 5, United States Code,
8 is amended by adding at the end thereof the following new
9 subsection:

10 "(1) In computing any annuity under subsections (a) -
11 (d) of this section, the total service of an employee who
12 retires on an immediate annuity or dies leaving a survivor
13 or survivors entitled to annuity shall include the days of
14 unused sick leave to his credit, except that these days shall
15 not be counted in determining average pay or annuity
16 eligibility under this subchapter or in computing service
17 under section 8342 (h) of this title."

18 SEC. 205. Subsection (b) of section 8340 of title 5,
19 United States Code, is amended by inserting "1 percent
20 plus" immediately after the word "by".

21 SEC. 206. The provisions of subsections ~~(d)(3)~~ (b)
22 (1), (d)(3), and (g) of section 8341 of title 5, United
23 States Code, shall apply in the case of any widow or widower
24 who shall have remarried on or after July 18, 1966, and

11

1 immediately prior to such remarriage was receiving annuity
2 from the Fund, except that no annuity shall be paid by rea-
3 son of this section for any period prior to the enactment of
4 this section. No annuity shall be terminated solely by reason
5 of the enactment of this section.

Union Calendar No. 637

90TH CONGRESS
2D Session

H. R. 17682

[Report No. 1586]

A BILL

To amend subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, and for other purposes.

By Mr. DANIELS, Mr. HENDERSON, Mr. HANLEY,
Mr. POOL, Mr. BROUNCE of North Carolina,
Mr. JOHNSON of Pennsylvania, and Mr.
THOMPSON of Georgia

JUNE 5, 1968
Referred to the Committee on Post Office and Civil
Service

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Reported with amendments, committed to the Com-
mittee of the Whole House on the State of the
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90TH CONGRESS
2^D SESSION

H. R. 17682

IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 1968

Mr. DANIELS (for himself, Mr. HENDERSON, Mr. HANLEY, Mr. POOL, Mr. BROYHILL of North Carolina, Mr. JOHNSON of Pennsylvania, and Mr. THOMPSON of Georgia) introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

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1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—CIVIL SERVICE RETIREMENT

4 FINANCING

5 SEC. 101. Section 8331 of title 5, United States Code,
6 is amended—

7 (1) by striking out “and” at the end of paragraph
8 (15) ;

9 (2) by striking out the period at the end of para-

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1 graph (16) and inserting a semicolon in lieu thereof;

2 and

3 (3) by adding immediately below paragraph (16)
4 the following new paragraphs:

5 “(17) ‘normal cost’ means the entry-age normal
6 cost computed by the Civil Service Commission in ac-
7 cordance with generally accepted actuarial practice and
8 expressed as a level percentage of aggregate basic pay.

9 “(18) ‘Fund balance’ means the sum of—

10 “(A) the investments of the Fund calculated at
11 par value; and

12 “(B) the cash balance of the Fund on the
13 books of the Treasury.

14 “(19) ‘unfunded liability’ means the estimated ex-
15 ccess of the present value of all benefits payable from
16 the Fund to employees and Members, and former em-
17 ployees and Members, subject to this subchapter, and to
18 their survivors, over the sum of—

19 “(A) the present value of deductions to be
20 withheld from the future basic pay of employees
21 and Members currently subject to this subchapter
22 and of future agency contributions to be made in
23 their behalf; plus

24 “(B) the present value of Government pay-

1 ments to the Fund under section 8348 (f) of this
2 title; plus

3 “(C) the Fund balance as of the date the
4 unfunded liability is determined.”.

5 SEC. 102. Section 8334 of title 5, United States Code,
6 is amended—

7 (1) by amending subsection (a) to read as follows:

8 “(a) (1) For pay periods beginning after December 31,
9 1968, the employing agency shall deduct and withhold 7 per-
10 cent of the basic pay of an employee and 8 percent of
11 the basic pay of a Member. An equal amount shall be con-
12 tributed from the appropriation or fund used to pay the em-
13 ployee or, in the case of an elected official, from an appro-
14 priation or fund available for payment of other salaries of the
15 same office or establishment. When an employee in the legis-
16 lative branch is paid by the Clerk of the House of Repre-
17 sentatives, the Clerk may pay from the contingent fund of
18 the House the contribution that otherwise would be con-
19 tributed from the appropriation or fund used to pay the
20 employee.

21 “(2) The Civil Service Commission shall determine
22 when an adjustment in the percentage of deductions pre-
23 scribed by paragraph (1) of this subsection is necessary to
24 meet fully the normal cost of the benefits then in effect,

1 and shall transmit notice of proposed adjustment to the Vice
2 President and the Speaker of the House of Representatives.
3 Any proposed adjustment shall become effective at the be-
4 ginning of the first full pay period which commences at least
5 60 calendar days (of continuous session of Congress, com-
6 puted in accordance with section 906 (b) of this title) after
7 transmittal of the notice, unless before that date—

8 “(A) either House of the Congress has passed
9 legislation which provides for a different adjustment; or

10 “(B) either House of the Congress has passed a
11 resolution which specifically disapproves the adjustment
12 proposed by the Commission.

13 The same percentage adjustment, fixed at the nearest mul-
14 tiple of $\frac{1}{4}$ of 1 percent, shall be applied to each per-
15 centage prescribed by paragraph (1) of this subsection.
16 Not more than one adjustment shall be proposed in any
17 calendar year.

18 “(3) The amounts so deducted and withheld, together
19 with the amounts so contributed, shall be deposited in the
20 Treasury of the United States to the credit of the Fund under
21 such procedures as the Comptroller General of the United
22 States may prescribe. Deposits made by an employee or
23 Member also shall be credited to the Fund.”; and

24 (2) by amending subsection (c) to read as follows:

25 “(c) Each employee or Member credited with civilian

5

1 service after July 31, 1920, for which retirement deductions
 2 or deposits have not been made, may deposit with interest
 3 an amount equal to the following percentages of his basic
 4 pay received for that service, plus each increase in the de-
 5 duction percentage prescribed under subsection (a) (2) of
 6 this section for periods of service to which the increase ap-
 7 plies:

	"Percentage of basic pay	Service period
Employee----	2½-----	August 1, 1920, to June 30, 1926.
	3½-----	July 1, 1926, to June 30, 1942.
	5-----	July 1, 1942, to June 30, 1948.
	6-----	July 1, 1948, to October 31, 1956.
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	8-----	After December 31, 1968."

8 SEC. 103. Section 8348 of title 5, United States Code,
 9 is amended—

10 (1) by amending subsection (a) to read as follows:

11 “(a) There is a Civil Service Retirement and Disability
 12 Fund. The Fund—

13 “(1) is appropriated for the payment of—

14 “(A) benefits as provided by this subchapter;

15 and

16 “(B) administrative expenses incurred by the

H.R. 17682—2

6

1 Civil Service Commission in placing in effect each
2 annuity adjustment granted under section 8340 of
3 this title; and

4 “(2) is made available, subject to such annual limi-
5 tation as the Congress may prescribe, for any expenses
6 incurred by the Commission in connection with admin-
7 istration of this chapter and other retirement and annuity
8 statutes.”;

9 (2) by striking out subsections (f) and (g) and
10 inserting in lieu thereof:

11 “(f) Any statute which authorizes—

12 “(1) new or liberalized benefits payable from the
13 Fund, other than any increase in those annuities which
14 begin on or before the effective date of the increase;

15 “(2) extension of coverage to new groups of
16 employees; or

17 “(3) increases in pay on which benefits are com-
18 puted;

19 shall be held and considered to authorize appropriations to
20 the Fund to finance the unfunded liability created by that
21 statute, in equal annual installments over the 30-year period
22 beginning at the end of the fiscal year in which the statute is
23 enacted, with interest computed at the rate used in the then
24 most recent valuation of the Civil Service Retirement Sys-

1 tem and with the first payment thereof due as of the end of
2 the fiscal year in which the statute is enacted.

3 “(g) At the end of each fiscal year beginning with
4 1971, the Commission shall notify the Secretary of the Treas-
5 ury of the amount equivalent to interest on the unfunded
6 liability computed for that year at the interest rate used in
7 the then most recent valuation of the System. Before closing
8 the accounts for each year, the Secretary shall credit to
9 the Fund, as a Government contribution, out of any money
10 in the Treasury not otherwise appropriated, the following
11 percentages of the amounts equivalent to interest on the un-
12 funded liability: 10 percent for 1971; 20 percent for
13 1972; 30 percent for 1973; 40 percent for 1974; 50
14 percent for 1975; 60 percent for 1976; 70 percent
15 for 1977; 80 percent for 1978; 90 percent for 1979;
16 and 100 percent for 1980 and for each year thereafter.
17 The Commission shall report to the President and to the
18 Congress the sums credited to the Fund under this subsection.

19 “(h) Each annuity increase authorized by statute
20 enacted after December 31, 1968, and each increase there-
21 after effectuated under section 8340 of this title, shall be paid
22 from the Fund. Any such increase shall not be payable for
23 any fiscal year which begins more than one year after the
24 effective date of that increase unless and until an appropria-

1 tion is made by the Congress to compensate the Fund for the
2 cost, as determined by the Commission, of the increase for
3 that fiscal year. For any fiscal year for which the appropria-
4 tion is not made, benefits under this subchapter shall be
5 determined and paid as though the increase had not been
6 allowed. Nothing contained in this subsection shall prevent
7 payment of any increase for any fiscal year for which the
8 Congress makes the appropriation.

9 “(i) At the end of each fiscal year beginning with 1970,
10 the Secretary of Defense shall pay into the Fund an amount,
11 as determined by the Commission, sufficient to cover those
12 annuity disbursements made during that fiscal year which are
13 attributable to military service.

14 “(j) For each employee who has unused sick leave to
15 his credit and who retires on an immediate annuity or dies
16 leaving a survivor or survivors entitled to annuity, the em-
17 ploying agency shall, under procedures prescribed by the
18 Commission, pay into the Fund an amount equal to 25 per-
19 cent of the employee's final hourly pay rate multiplied by
20 the number of hours of unused sick leave to his credit.

21 SEC. 104. The proviso under the heading “CIVIL
22 SERVICE COMMISSION” and under the subheading
23 “PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABIL-
24 ITY FUND” in title I of the Independent Offices Appropria-

1 tion Act, 1962 (75 Stat. 345; Public Law 87-141), is re-
2 pealed.

3 TITLE II—CIVIL SERVICE RETIREMENT

4 BENEFITS

5 SEC. 201. Paragraph (3) of section 8331 of title 5,
6 United States Code, is amended—

7 (1) by striking out subparagraphs (B) and (C)
8 and inserting in lieu thereof the following:

9 “(B) remuneration for service performed as
10 an employee to whom this subchapter applies;”;

11 (2) by striking out “overtime pay,”; and

12 (3) by striking out “pay given in addition to the
13 base pay of the position as fixed by law or regulation
14 except as provided by subparagraphs (B) and (C)
15 of this paragraph,”.

16 SEC. 202. Paragraph (4) (A) of section 8331 of title
17 5, United States Code, is amended by striking out “5
18 consecutive years” and inserting in lieu thereof “3 con-
19 secutive years”.

20 SEC. 203. Subsection (g) of section 8334 of title 5,
21 United States Code, is amended—

22 (1) by striking out the word “or” at the end of
23 paragraph (3);

24 (2) by striking out the period at the end of

10

1 paragraph (4) and inserting in lieu thereof a semicolon
2 and the word "or"; and

3 (3) by adding the following new paragraph im-
4 mediately below paragraph (4) :

5 " (5) days of unused sick leave credited under sec-
6 tion 8339 (1) of this title."

7 SEC. 204. Section 8339 of title 5, United States Code,
8 is amended by adding at the end thereof the following new
9 subsection :

10 " (1) In computing any annuity under subsections (a) -
11 (d) of this section, the total service of an employee who
12 retires on an immediate annuity or dies leaving a survivor
13 or survivors entitled to annuity shall include the days of
14 unused sick leave to his credit, except that these days shall
15 not be counted in determining average pay or annuity
16 eligibility under this subchapter or in computing service
17 under section 8342 (h) of this title."

18 SEC. 205. Subsection (b) of section 8340 of title 5,
19 United States Code, is amended by inserting "1 percent
20 plus" immediately after the word "by".

21 SEC. 206. The provisions of subsections (d) (3) and
22 (g) of section 8341 of title 5, United States Code, shall
23 apply in the case of any widow or widower who shall have
24 remarried on or after July 18, 1966, and immediately prior

1 to such remarriage was receiving annuity from the Fund,
2 except that no annuity shall be paid by reason of this section
3 for any period prior to the enactment of this section. No
4 annuity shall be terminated solely by reason of the enact-
5 ment of this section.

90TH CONGRESS
2D SESSION

H. R. 17682

A BILL

To amend subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, and for other purposes.

By Mr. DANIELS, Mr. HENDERSON, Mr. HANLEY,
Mr. POOL, Mr. BROYHILL of North Carolina,
Mr. JOHNSON of Pennsylvania, and Mr.
THOMPSON of Georgia

JUNE 5, 1968

Referred to the Committee on Post Office and Civil
Service

Companion bills:

Approved For Release 2001/08/28 : CIA-RDP71B00364R000500120010-9

H. R. 16288

H. R. 16335

90TH CONGRESS
2D SESSION

S. 3276

IN THE SENATE OF THE UNITED STATES

APRIL 3, 1968

Mr. BREWSTER introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

A BILL

To modernize certain provisions of the Civil Service Retirement Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE

4 SECTION 1. This Act may be cited as the "Civil Service
5 Retirement Modernization Act of 1968".

6 RETIREMENT CREDIT FOR ALL PAY

7 SEC. 2. Paragraph (3) of section 8331 of title 5, United
8 States Code, is amended—

9 (1) by striking out subparagraphs (B) and (C)
10 and inserting in lieu thereof the following:

II—O

Approved For Release 2001/08/28 : CIA-RDP71B00364R000500120010-9

1 “(B) remuneration for service performed as
2 an employee to whom this subchapter applies;”;
3 (2) by striking out “overtime pay,”; and
4 (3) by striking out “subparagraphs (B) and (C)”
5 and inserting in lieu thereof “subparagraph (B)”.

6 ANNUITY COMPUTATION FORMULA

7 SEC. 3. Subsection (a) of section 8339 of title 5,
8 United States Code, is amended to read as follows:

9 “(a) Except as otherwise provided by this section, the
10 annuity of an employee who retires under this subchapter—

11 “(1) after having completed less than 10 years of
12 service is $1\frac{1}{2}$ percent of his average pay multiplied by
13 so much of his total service as does not exceed 5 years
14 plus $1\frac{3}{4}$ percent of his average pay multiplied by so
15 much of his total service as exceeds 5 years but is less
16 than 10 years; and

17 “(2) after having completed 10 or more years of
18 service is 2 percent of his average pay multiplied by
19 his total years of services.

20 Notwithstanding the provisions of subparagraphs (1) and
21 (2) of this subsection, 1 percent of the employee's average
22 pay plus \$25 is substituted for the percentages specified by
23 such subparagraph (1) or (2), or any combination thereof,
24 when such substitution results in a larger annuity for the
25 employee.”

3

1 SURVIVORSHIP

2 SEC. 4. (a) Subsection (i) of section 8339, United
3 States Code, is amended by striking out "\$3,600" wherever
4 appearing therein and inserting in lieu thereof "\$4,800".

5 (b) Section 8341 of title 5, United States Code, is
6 amended—

7 (1) by striking out "55 percent" wherever appear-
8 ing therein and inserting in lieu thereof "60 percent";
9 and

10 (2) in subsection (c) (1) by—

11 (A) striking out "\$600" and inserting in lieu
12 thereof "\$720";

13 (B) striking out "\$1,800" and inserting in lieu
14 thereof "\$2,160";

15 (C) striking out "\$720" and inserting in lieu
16 thereof "\$840"; and

17 (D) striking out "\$2,160" and inserting in lieu
18 thereof "\$2,520".

19 COST-OF-LIVING ADJUSTMENTS

20 SEC. 5. (a) Subsection (b) of section 8340 of title 5,
21 United States Code, is amended to read as follows:

22 "(b) Each month the Commission shall determine the
23 percent change in the price index. Effective the first day of
24 the second month that begins after the price index change
25 equals a rise of at least 2 percent for 2 consecutive months

1 over the price index for the base month, each annuity pay-
2 able from the fund having a commencing date not later than
3 that effective date shall be increased by the percent rise in
4 the price index (calculated on the highest level of the price
5 index during the 2 consecutive months) adjusted to the
6 nearest 1/10 of 1 percent."

7 (b) Paragraph (2) of subsection (c) of such section
8 8340 is amended by striking out "the items \$600, \$720,
9 \$1,800, and \$2,160" and inserting in lieu thereof "the items
10 \$720, \$840, \$2,160, and \$2,520".

11 DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS

12 SEC. 6. Subsection (a) of section 8334 of title 5, United
13 States Code, is amended by striking out "6½ percent" and
14 inserting in lieu thereof "7 percent".

15 (b) The table in subsection (c) of such section 8834 is
16 amended by striking out "6½----- After October 31,
17 1956.", and inserting in lieu thereof the following:

"6½----- After October 31, 1956."
"7----- After October 31, 1968."

18 EFFECTIVE DATE

19 SEC. 7. This Act shall take effect on the first day of the
20 first pay period which begins on or after the first day of the
21 third month beginning after date of enactment of this Act.

Approved For Release 2001/08/28 : CIA-RDP71B00364R000500120010-9

90TH CONGRESS
2d Session

S. 3276

A BILL

To modernize certain provisions of the Civil
Service Retirement Act, and for other pur-
poses.

By Mr. BREWSTER

APRIL 3, 1968

Read twice and referred to the Committee on Post
Office and Civil Service

Approved For Release 2001/08/28 : CIA-RDP71B00364R000500120010-9

Approved For Release 2001/08/28 : CIA-RDP71B00364R000500120010-9

TRANSMITTAL SLIP		
TO:		
ROOM NO.	BUILDING	
REMARKS:		
H.R. 17682 was distributed to Finance and [REDACTED]		
25X1A		
FROM:		
ROOM NO.	BUILDING	EXTENSION

Approved For Release 2001/08/28 : CIA-RDP71B00364R000500120010-9

Approved For Release 2001/08/28 : CIA-RDP71B00364R000500120010-9

TRANSMITTAL SLIP		DATE: 12 Feb
TO: Mr. Warner		
ROOM NO.	BUILDING	
REMARKS: FYI - Interesting approach to permit credit of social security time under Civil Service Retirement. Early retirement inducement.		
FROM: L. L. M.		
ROOM NO.	BUILDING	EXTENSION

Approved For Release 2001/08/28 : CIA-RDP71B00364R000500120010-9

90TH CONGRESS
2D SESSION

H. R. 15079

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 1968

Mr. FINO introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To amend title 5, United States Code, to include certain periods of coverage under the Social Security Act as creditable service for civil service retirement purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That section 8332 of title 5, United States Code, is amended
- 4 by adding at the end thereof the following new subsection:
- 5 “(1) In addition to service otherwise creditable under
- 6 this section, an employee who has become 55 years of age
- 7 but not 60 years of age and has ~~not~~ completed 30 years
- 8 of service may, for the purposes of this chapter, be credited,
- 9 at his option, with an additional number of years of service
- 10 (not exceeding the number which, when added to the serv-

1 ice otherwise creditable for the purposes of this chapter,
2 will provide a total of 30 years) equal to one for each full
3 four quarters of coverage (as defined in section 213 (a) (2)
4 of the Social Security Act) which he has under the old-age,
5 survivors, and disability insurance program.”.

6 SEC. 2. Section 8334 (g) of title 5, United States Code,
7 is amended—

8 (1) by striking out the word “or” at the end of
9 subparagraph (3) ;

10 (2) by striking out the period at the end of sub-
11 paragraph (4) and inserting in lieu of the period a
12 semicolon and the word “or”; and

13 (3) by adding at the end thereof the following
14 new subparagraph:

15 “(5) additional years of service credited under sec-
16 tion 8332 (1) of this title.”.

17 SEC. 3. Section 8348 (g) of title 5, United States Code,
18 does not apply to benefits resulting from the enactment of
19 this Act.

Approved For Release 2001/08/28 : CIA-RDP71B00364R000500120010-9

90TH CONGRESS
2D SESSION

H. R. 15079

A BILL

To amend title 5, United States Code, to include certain periods of coverage under the Social Security Act as creditable service for civil service retirement purposes.

By Mr. Fino

FEBRUARY 5, 1968

Referred to the Committee on Post Office and Civil Service

Approved For Release 2001/08/28 : CIA-RDP71B00364R000500120010-9

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Proposed amendments to the Civil Service and Foreign Service Retirement Systems

FROM:

EXTENSION

NO.

Office of Legislative Counsel

DATE

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1. 25X1A

OGC - [REDACTED]

RH

1. Attached is selected material covering proposed amendments to The Civil Service and Foreign Service Retirement Systems to provide for (a) a transfer of credit to the social security and (b) minimum benefits at least equivalent to those payable under the social security system.

2. Also attached are draft amendments to or for the benefit of the CIA Retirement Act to provide identical benefits.

3. It is requested that your office review the draft CIA amendments and advise this office of any recommended changes.

JOHN S. WARNER
Legislative Counsel

RETIREMENT

Attachments:

HR 6784
 Analysis 6784
 Part I Hearing 6784
 Civil Service Commission Material
 Sec. 116 of HR 5710
 Proposed Amend. to HR 5710 CIA
 Ret. Act
 Proposed Amend. to CIA Ret. Act
 S. 1159